



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

January 18, 2019

AGENDA ITEM 4.2

TO: Regional Transportation Commission

FROM: Lee G. Gibson, AICP
Executive Director

A handwritten signature in blue ink, appearing to read "Lee G. Gibson", is written over the printed name and title of the sender.

SUBJECT: Federal Report

Monthly update/messages from RTC Executive Director Lee G. Gibson – *no action will be taken on this item.*

Federal Update for the RTC of Washoe County
Prepared by Cardinal Infrastructure and Thompson Coburn
January 18, 2018 Board Meeting

Shutdown Continues

Congressional leaders and the White House remain locked in a stalemate over the partial government shutdown after talks went through the weekend. This week the House is expected to vote on individual spending bills, but the White House has rejected this approach. The House will first consider the Financial Services and General Government appropriations bill, which funds the Department of the Treasury and the Internal Revenue Service. The remaining bills will cover Transportation, and Housing and Urban Development, Agriculture, Rural Development, Food and Drug Administration, Interior, and Environment.

Following the passage of these bills, it will be up to Senate leadership to determine how to proceed. The Senate previously passed the same legislative package for the six appropriations bills, so we know there is bipartisan support. According to Senate Majority Leader McConnell, the House passed bills won't be touched by the Senate so long as the President threatens a veto. In a meeting with his Cabinet and Congressional leaders, President Trump forewarned that he was willing to allow the partial shutdown to continue without new wall funding.

USDOT Shutdown Impact

With most of the U.S. Department of Transportation (USDOT) shutdown, it means 38% of its employees are furloughed, 46% will be working without the guarantee of being paid, and 14% would continue to work and be paid as usual. FTA has a total of 558 staff with 493 furloughed. That being said, even at USDOT where annual appropriations have not been enacted, not all funding lapses; some accounts get funding at least a year or so in advance and some get paid via trust fund authority or other fees/revolving funds. Therefore, the shutdown does not impact the Federal Highway Administration and Federal Motor Carrier Safety Administration.

As for grants, this is an activity that does not continue during a shutdown. The FTA being shutdown means the suspension of unfunded core agency functions, including grants, cooperative agreements, contracts, purchase orders, travel authorizations, or documents obligating funds. FTA grant management employees at the moment are unavailable to help grantees; though this has limited consequence because many grant milestones (Bus and Bus Facilities, Low-No, etc.) are not scheduled for the next couple months (although they can announce grants earlier even though the money is not available). FTA will return to normal scheduling and timing of grant activities soon after the shutdown.

House Appropriations

On January 3rd, the House passed a legislative package consisting of six full-year appropriations bills (including Transportation-HUD) and a Continuing Resolution (CR) until February 8th for Homeland Security. Although the House passed the package, Majority Leader McConnell has not brought it to the floor.

Transportation-HUD appropriations measure provides the following:

BUILD - \$1 billion; "the Secretary shall take such measures so as to ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and the investment in a variety of transportation modes." (\$1.5 billion in FY18)

CIG Program - Total of \$2,552,687,000 (\$2.645 billion in FY18)

New Starts - \$1.315 billion (\$1.5 billion in FY18)

Core Capacity - \$543.5 million (\$715 million in FY18)

Small Starts - \$568 million (\$401 million in FY18)

Expedited Project Delivery - \$100 million

Language includes: "None of the funds made available under this Act may be used for the implementation or furtherance of new policies detailed in the "Dear Colleague" letter distributed by the Federal Transit Administration to capital investment grant program project sponsors on June 29, 2018."

Bus and Bus Facilities Formula - Additional \$209.1 million, totaling \$664.06 million (\$654 million in FY18)

Bus and Bus Facilities Competitive - Additional \$161.45 million, totaling \$483.51 million (\$407 million in FY18)

Low or No Emission Program - Additional \$29.45 million, totaling \$84.45 million (\$84 million in FY18)

Transportation and Infrastructure

Cardinal Infrastructure met with majority and minority House Transportation and Infrastructure Committee staff. We learned that Chairman DeFazio (D-OR) has two priorities in the immediate future: (1) a transportation and infrastructure proposal, and (2) the surface transportation reauthorization bill. DeFazio has been speaking with the White House on the transportation and infrastructure proposal and they have identified the first six months of 2019 as the most feasible timeframe for making progress.

DeFazio has also let the White House know that he would like three of his key bills included in the proposal: (1) Investing in America: A Penny for Progress (to raise the federal gas tax); (2) Investing in America: Rebuilding America's Airport Infrastructure Act (to raise the Passenger Facility Charge cap); and, (3) Investing in America: Unlocking the Harbor Maintenance Fund. While these bills address different infrastructure components, they all provide direct investment with existing funding. All staff members we met with, majority and minority, reiterated that a "pay for" for any proposal was key to moving forward and a barrier to success for the Administration's proposal from earlier this year.

Automated Driving System

USDOT released a notice of funding opportunity (NOFO) for \$60 million in Automated Driving System (ADS) Demonstration grants. This NOFO is to provide grants to fund planning, direct research, and demonstration grants for the research and development of ADS. Preference will be given to proposed projects for level 3 or greater automation technologies. Furthermore, applicants are encouraged to provide near real time access to data throughout the projects - minimal data sharing will be viewed negatively (a draft data management plan is required in the application packet). Each project must outline how the demonstration can be scaled across the country.

One of the goals of this grant program is to work collaboratively with State and local governments, alongside universities and the private sector. Private entities and universities are not eligible applicants, but may serve as sub-recipients or subcontractors. Work areas under the program include innovative mobility solutions, technologies associated with ADS, shared automated vehicles, projects directed towards enhancing the mobility for seniors and people with disabilities, and other areas. **Applications are due March 21st and awardees will be announced in Spring 2019.**

Nationally Significant Freight and Highway Projects Program

The U.S. Department of Transportation (USDOT) has issued its Notice of Funding Opportunity (NOFO) for the FY19 Nationally Significant Freight and Highway Projects Program, known as the Infrastructure for Rebuilding America (INFRA) Program. USDOT expects to award approximately \$855-\$902.5 million, contingent upon final FY19 appropriations enacted by Congress. The purpose of the INFRA Grant Program is to provide assistance for nationally or regionally significant highway and freight projects. Eligible project types are: highway freight projects carried out on the National Highway Freight Network; highway or bridge projects on the National Highway System (NHS), including those adding capacity on the Interstate System to improve mobility or projects in a national scenic area; railway-highway grade crossing or grade separation projects; or a freight project that is an intermodal or rail project, or within the boundaries of a public or private freight rail, water including ports, or intermodal facility. **The application deadline is March 4, 2019, at 8:00 p.m. EST.**

Gas Tax

Congressman Blumenauer (D-OR) will soon file the "Rebuilding America Act of 2019". He sits on the House Ways and Means Committee which will be a close partner to the Transportation and Infrastructure Committee on any infrastructure proposal(s). The bill would increase the gas tax (other than aviation, diesel or kerosene) to 43.3 cents per gallon over a period of six years - 18.3 cents before 2020, 23.3 cents in 2020, 28.3 cents in 2021, 33.3 cents in 2022, 38.3 cents in 2023, and 43.3 cents after 2023. As a result of the yearly gas tax increases, the bill also increases the transfers from the Highway Trust Fund to the Mass Transit Account

Rules Package

The House passed its rules package last week. The rules package contains key provisions:

- Reinstates the "Gephardt Rule," which automatically raises the debt ceiling when the House passes a budget without requiring a separate vote.
- Reinstates the "Pay As You Go" (PAYGO) budgeting rule, which requires that any new tax cuts or increased entitlements spending be offset by other budget cuts or new revenues collected through tax increases. The goal of PAYGO is to maintain the deficit level and ensure fiscal responsibility.
- Contains oversight reforms and stricter internal ethics and anti-discrimination practices.
- Requires a 72-hour window for all Members of Congress to review bills before a floor vote.
- Requires a committee hearing and markup for every bill sent to the floor by the Rules Committee, prior to a floor vote.

Congressional Budget Office

The Congressional Budget Office (CBO) published a report on, "Options for Reducing the Deficit: 2019 to 2028." The transportation provides the following options:

- Starting in FY 2021, reduce federal funding for highways and mass transit by lowering the obligation limitations for programs supported by the Highway Trust Fund to the amount of revenues projected to be credited to the fund.
- Phase out the Federal Transit Administration
- Eliminate funding for Amtrak

The report notes the "positive" and negative effects of such options. As the report states, "the options are intended to reflect a range of possibilities, not a ranking of priorities or an exhaustive list...The inclusion or exclusion of any particular option does not imply that CBO endorses it or opposes it, and the report makes no recommendations." APTA released a rebuttal to the report, "CBO Report Misses the Economic Value of Public Transportation."

Confirmations

On January 2nd the Senate confirmed a number of the President's nominees, including Mary Neumayr to lead the White House Council on Environmental Quality. Neumayr has been acting head of CEQ since March 2017 and is the Administration's second selection to run the department after Kathleen Hartnett White withdrew from consideration. Neumayr was formerly senior counsel to the House Energy and Commerce Committee. She will continue CEQ's efforts to update regulations for implementing the procedural provisions of NEPA.

Also confirmed was Kelvin Droegemeier, to serve as the White House Director of the Office of Science and Technology Policy. Droegemeier previously was a meteorologist at the University of Oklahoma and served as Oklahoma Governor Mary Fallin's secretary of science and technology.

Any nominees who have not been confirmed are sent back to the White House, unless the Senate votes unanimously to carry the nominations over, this includes: Diana Furchtgott-Roth; USDOT Assistant Secretary for Research and Technology; Thelma Drake; FTA Administrator; and Heidi King, NHTSA Administrator.

White House Personnel

Office of Management and Budget Director Mick Mulvaney will serve as Acting White House Chief of Staff until further notice - there is currently no time limit on his tenure. Russ Vought, the current Deputy Director of OMB, will take Mulvaney's place as Director - taking on the day-to-day operations while Mulvaney serves as Chief of Staff. Prior to joining the Administration, Vought was a Vice President at Heritage Action, the political wing of the Heritage Foundation. He also previously worked as Executive Director of the Republican Study Committee, a large conservative caucus within the House Republican Conference. Under federal law, Vought can act as OMB's director for 210 days without either being nominated himself or without Trump picking a permanent replacement.

USDOT Personnel

Geoff Burr, who served as Chief of Staff to Secretary Chao since 2017, is departing USDOT. Current Deputy Chief of Staff, Todd Inman, will replace Burr. Sean McMaster, USDOT Deputy Assistant Secretary for Congressional Affairs will be USDOT Deputy Chief of Staff.

Philip Newman, the current Associate Administrator for Communications and Congressional Affairs at FTA will become Assistant Administrator for Government and Industry Affairs at the Federal Aviation Administration.

Grover Burtney has left USDOT after serving as its Deputy Assistant Secretary for Transportation Policy.